Annual Report 2013

Pioneer
CORPORATION AFRICA

TOTAL TRANSPORT & LOGISTICS SOLUTIONS

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NOTICE TO SHAREHOLDERS

NOTICE OF THE ANNUAL GENERAL MEETING OF THE MEMBERS OF PIONEER CORPORATION AFRICA LIMITED
Incorporated in the Republic of Zimbabwe ("Pioneer" or "Company") Registration number: 304/1970

Notice is hereby given that the 44th Annual General Meeting (AGM) of Shareholders will be held in the Pioneer Corporation Africa Limited Boardroom, corner Hood/Hermes Roads, Southerton, Harare on Thursday 26th June 2014 at 10.00 am to conduct the following business:

ORDINARY BUSINESS

1. CONSTITUTION OF MEETING
1.1 To table forms of proxy.
1.2 To declare the meeting constituted.

2. FINANCIAL STATEMENTS AND THE REPORTS OF THE DIRECTORS AND AUDITORS
2.1 To consider and adopt the financial statements for the year ended 31 December 2013 together with the reports of the directors and auditors.

3. DIRECTORS' FEES
3.1 To approve Directors' fees for the year ended 31 December 2013.

4. DIRECTORATE
4.1 To note the retirement of Messrs Raphael Costa and Albert Simbarashe Ushe as directors of the Company.
4.2 To re-elect Messrs Thomas Alexander Taylor and Gary Ronald Smith as directors of the Company. In terms of the Articles of Association, Messrs Thomas Alexander Taylor and Gary Ronald Smith retire by rotation at the Company's Annual General meeting and, both being eligible, offer themselves for re-election.

5. AUDITORS
5.1 To approve the remuneration of the auditors for the past year and to consider the re-appointment of Ernst & Young Chartered Accountants (Zimbabwe) as auditors for the ensuing year.

6. SPECIAL BUSINESS
6.1 To ratify and adopt the approved Indigenisation and Empowerment Plan.

7. ANY OTHER BUSINESS

FORM OF PROXY

A form of proxy, in which are set out the relevant instructions for its completion, is attached hereto, for use by such shareholder of the Company who is unable to attend the AGM but who wishes to be represented thereat. Completion of a form of proxy will not preclude such shareholder of the Company from attending and voting (in preference to the appointed proxy) at the AGM.

The instrument appointing a proxy and the authority (if any) under which it is signed must be received by the Company's transfer secretaries or at the Company's registered offices (Attention: The Company Secretary) at the addresses given below no later than 48 (forty-eight hours) before the time appointed for the holding of the AGM.

It should be noted that the approved Indigenisation and Empowerment Plan is available for inspection at the Company's registered office.

OFFICE OF THE ZIMBABWE TRANSFER SECRETARIES	REGISTERED OFFICE OF THE COMPANY
First Transfer Secretaries (Private) Limited No 1 Armagh Avenue, Eastlea, Harare, Zimbabwe	Pioneer Corporation Africa Limited 14-16 Hermes Road, Southerton, Harare, Zimbabwe

By Order of the Board
Moreblessing Mukamba
Company Secretary
5 June 2014

MISSION STATEMENT

VISION
To become the most preferred one-stop shop and best known reliable brand in the transport, consolidations and logistics market in Zimbabwe and the rest of sub-Saharan Africa by 2020.

MISSION
Pioneer Corporation Africa Limited is committed to offering sustainable, unmatched world class efficient transport (freight and passenger) services to its selected valuable customers at all times in all countries of operation.

Through its dedicated, motivated and professional employees, Pioneer Corporation Africa Limited conducts business as a responsible citizen in all countries it operates in and strives to provide a profitable return to its shareholders.

CORE VALUES

- Dedication
- Professionalism
- Innovation
- Integrity
- Courage
- Teamwork
- Proudly Zimbabwean

CORPORATE INFORMATION

The Company is incorporated in Zimbabwe, and it has subsidiaries incorporated in Zimbabwe, South Africa, Botswana and Mauritius.

BUSINESS

The Group's core business is transport and logistics. The operations are in passenger, freight and courier services.

MAIN BOARD

P. C. Chingoka	Chairman
G. R. Smith *(Appointed 1 June 2014)	Chief Executive Officer
H. B. W. Rudland	
C. Matigimu	

* Executive

MAIN BOARD

B. G. Manyenyeni	
T. A. Taylor	
R. Costa (retired 31 August 2013)	
A. Ushe *(retired 28 February 2014)	Chief Executive Officer

MAIN BOARD COMMITTEES

AUDIT AND FINANCE COMMITTEE

C. Matigimu	(Chairman)
B. G. Manyenyeni	(Alt. - P. C. Chingoka)
T. A. Taylor	
A. Ushe *	
G. R. Smith*	

* (by invitation)

STRATEGY COMMITTEE

T. A. Taylor	(Chairman)
P. C. Chingoka	
H.B.W. Rudland	

HUMAN RESOURCES AND REMUNERATION COMMITTEE

H.B.W. Rudland	(Chairman)
P. C. Chingoka	
B. G. Manyenyeni	
A. Ushe *	

* (by invitation)

NOMINATIONS COMMITTEE

P. C. Chingoka	(Chairman)
H.B.W. Rudland	

PROPERTY COMMITTEE

T. A. Taylor (Chairman)
H.B.W. Rudland
P. C. Chingoka
T. Hove (retired 31 October 2013)

ADMINISTRATION

SECRETARIES
First Transfer Secretaries (Private) Limited
No 1 Armagh Avenue
Eastlea
Harare

REGISTERED OFFICES
14-16 Hermes Road, Southerton, Harare, Zimbabwe
Telephone: (+263) 4 621 000-14
Facsimile: (+263) 4 621 055
Email: solutions@pioneerafrica.co.zw
Website: www.pioneerafrica.com

PRINCIPAL BANKERS
MBCA Bank Limited
CBZ Bank Limited
NMB Bank Limited

LEGAL ADVISORS
Costa & Madzonga Legal Practitioners

COMPANY SECRETARY
Moreblessing Mukamba

AUDITORS
Ernst & Young Chartered Accountants (Zimbabwe)

BOARD OF DIRECTORS

Patrick Chakanetsa Chingoka - Chairman
Patrick Chingoka was born in Zimbabwe and holds a variety of qualifications in Human Resources Management and Industrial Relations. He is currently the Managing Director of Thomas International Management Systems (Private) Limited and High Post Consultants (Private) Limited. He is also Chairman of Navistar Insurance Brokers and other directorships include Iness Trading (Private) Limited. Patrick is currently the longest standing Director. Patrick is a citizen of and resides in Zimbabwe

Gary Smith - Group Chief Executive Officer - Executive Director
Gary Smith was born in Zimbabwe and was educated at Prince Edward School where he was Head Boy in 1986. He then joined Coopers & Lybrand where he served his articles, completing his B.Compt (Hons) degree through UNISA in 1991. He qualified as a Chartered Accountant in 1992 finishing in the top 5 of his year. After a brief stint with tobacco company Transtobac, Gary established his own accountancy business which he ran successfully for 7 years. In 2001 he moved to the United Kingdom and held roles at Deutsche Bank, University of Surrey and Foxhills Club & Resort before moving back to Africa in 2008. Gary then spent four years managing a large transport and logistics group of companies in Beira, Mozambique gaining valuable experience in this sector. He joined the Group on 2 January 2013 as the Group Finance Director and was appointed to Acting Chief Executive Officer in March 2014, a position he held until his appointment to Group Chief Executive Officer on 1 June 2014. He is a citizen of and resides in Zimbabwe.

Hamish Bryan Wilburn Rudland - Non Executive Director
Hamish Rudland was born in Zimbabwe and was educated at Falcon College in Esigodini. He attended Massey University in New Zealand between 1991 and 1994, reading for a Bachelor of Business Studies Degree in Information Systems, Management and Tourism. He returned to Zimbabwe in October 1994 and established Pioneer Corporation Africa in 1995. Hamish is a major shareholder. His other directorships include Holdsworth Holdings (Private) Limited. He is a citizen of and resides in Zimbabwe.

Moreblessing Tendai Mukamba - Company Secretary
Moreblessing holds a Bachelor of Laws Degree (LLB) from the University of South Africa (UNISA). She is also a duly registered Legal Practitioner and a member of the Law Society of Zimbabwe. Having worked for Mawere and Sibanda Legal Practitioners, Dube, Manikai and Hwacha Commercial Law Chambers and the Civil Division of the Attorney Generals' Office, Moreblessing amassed valuable experience in the various fields of law encompassing Corporate and Commercial law, Labour and Employment law, Private law, Law of Contract and contractual disputes, Property law and Criminal law. She is a citizen of and resides in Zimbabwe.

Clever Matigimu - Non Executive Director
Clever Matigimu has 21 years business experience most of which was gained in the short term insurance industry at various levels and was previously Group Managing Director of SFG Holdings and is a co-founder of SFG Group. He is currently the CEO of the Beemarch Group of Companies, incorporating Beemarch Investments (Private) Limited, Beemarch Properties (Private) Limited and Beemarch GeoScientific Services (Private) Limited. Clever is a Fellow of the Chartered Institute of Secretaries and has an MBA. He is a council member of the Institute of Chartered Secretaries.

BOARD OF DIRECTORS (continued)

Bernard Gabriel Manyenyeni - Non Executive Director
Bernard Gabriel Manyenyeni holds a Masters degree in Strategic Management. He has over 20 years experience with leading players in the financial services sector and is currently the General Manager for Altfin Life Assurance Company. His experience has gathered him strengths in corporate governance and business relationship management. His other directorships are in a small number of other private businesses.

Thomas Alexander Taylor - Non Executive Director
Thomas served his articles at PriceWaterhouseCoopers Chartered Accountants (Zimbabwe) working in the Bulawayo, Harare and London offices. Thomas was admitted into PWC partnership in July 1972 and soon became Partner in charge of the Bulawayo and Botswana offices. In 1985, he transferred to the Harare office as senior Partner of PWC Central Africa and was responsible for the firm's activities in Zimbabwe, Botswana, Malawi and Mozambique. He retired in June 1995 having completed 10 years as Senior Partner. Thomas is now self employed and sits on a number of public and private company boards.

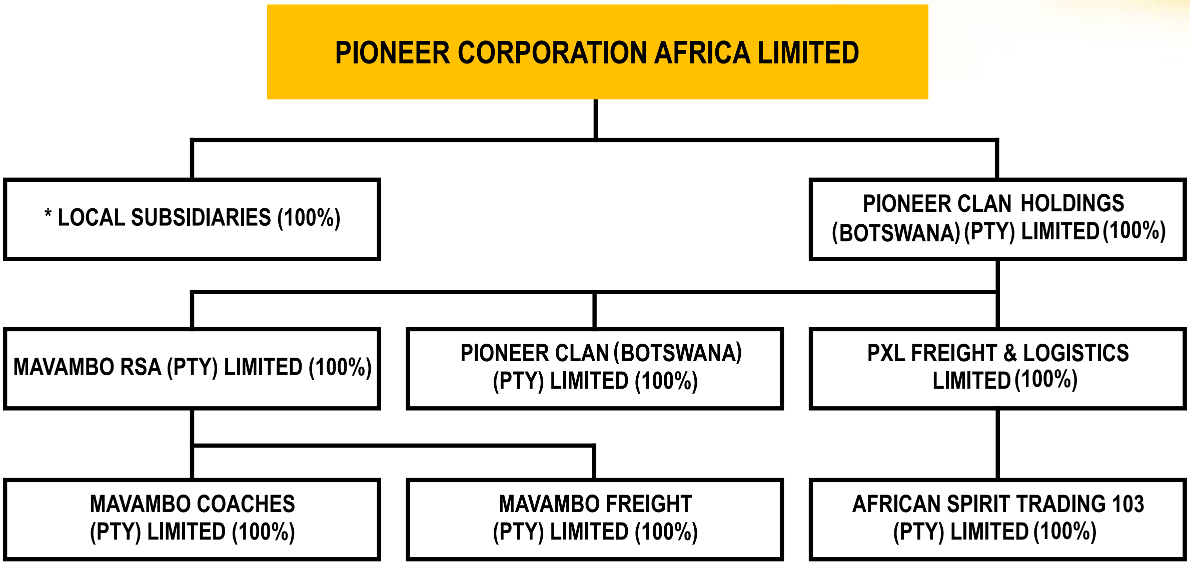
Albert Ushe - Group Chief Executive Officer

Albert Ushe served as the Group Chief Executive Officer until his retirement on 28 February 2014.

Raphael Costa - Non Executive Director

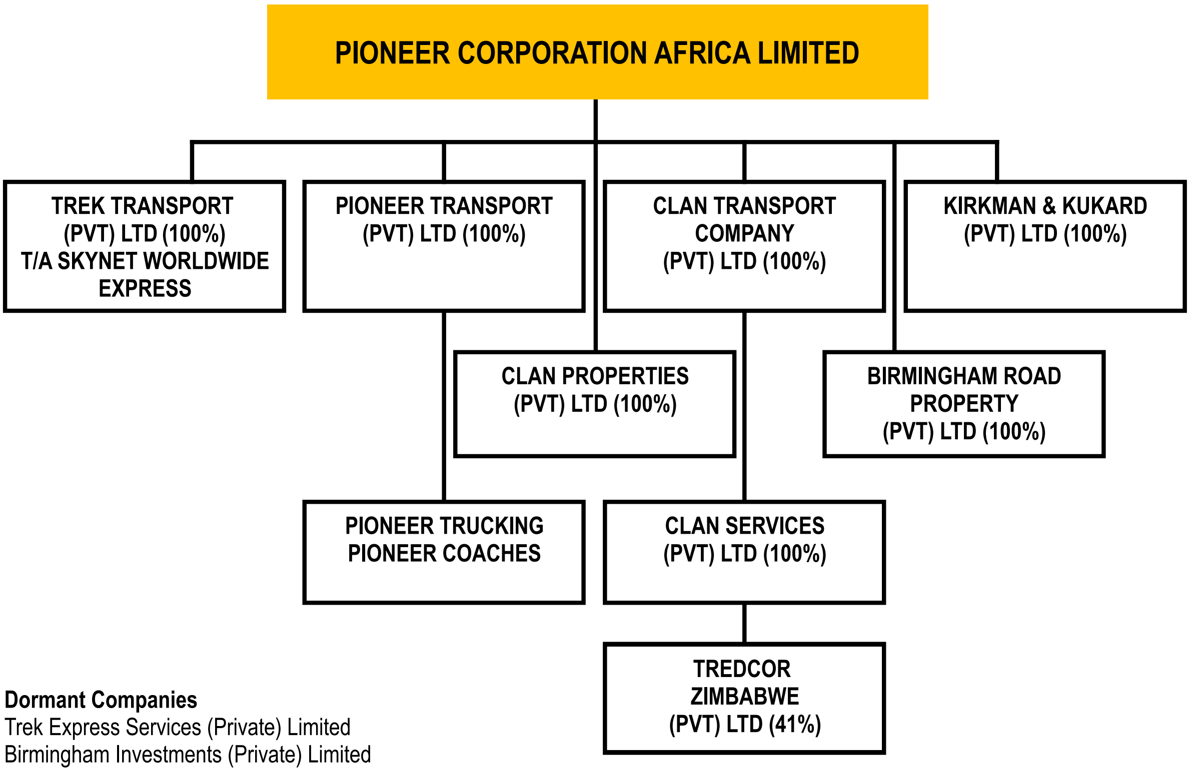
Raphael Costa retired as a director on 31 August 2013.

GROUP STRUCTURE



Dormant Companies
Mavambo RSA (Proprietary) Limited
Mavambo Freight (Proprietary) Limited

*PIONEER CORPORATION AFRICA LIMITED - Local Subsidiaries and Associates



Dormant Companies
Trek Express Services (Private) Limited
Birmingham Investments (Private) Limited
Clan Services (Private) Limited

GROUP STRUCTURE

Pioneer Transport (Private) Limited
Pioneer Transport operations are undertaken under two divisions, namely:

(i) Pioneer Trucking
Local contracts trucking services, cross border road freight haulage, specializing in the movement of blue chip companies commodities including mining ore.

(ii) Pioneer Coaches
Local city to city bus service, cross border coach service destinations and private coach hiring services.

Mavambo Coaches (Proprietary) Limited
Cross border coach service between South Africa and Zimbabwe.

Pioneer Clan (Botswana) (Proprietary) Limited
Cross border road freight haulage.

PXL Freight and Logistics Limited
Cross border road freight haulage and logistics.

African Spirit Trading 103 (Proprietary) Limited
Cross border road freight haulage and logistics.

Trek Transport (Private) Limited t/a Skynet Worldwide Express
International and local courier service.

Associated Companies.

Tredcor Zimbabwe (Private) Limited trading as Trentyre
Tyre retreading and retail sales of new and second-hand tyres and accessories.

Corporate

Pioneer Corporation Africa Limited	Investment Holding Company
Clan Properties (Private) Limited	Property Owning
Kirkman & Kukard (Private) Limited	Property Owning
Birmingham Road Property (Private) Limited	Property Owning
Clan Transport Company (Private) Limited	Investment Company
Birmingham Investments (Private) Limited	Investment Company
Clan Services (Private) Limited	Investment Company
Pioneer Clan Holdings (Botswana) (Proprietary) Limited	Investment Holding Company

CHAIRMAN'S STATEMENT

Patrick Chakanetsa Chingoka
Chairman

OVERVIEW
The Group's operations continue to be significantly affected by the increasingly challenging environment and lack of liquidity which has prevailed in Zimbabwe over the past number of years resulting in reduced activity and a stressed working capital environment.

The Group's revenue eased by 11% to USD23,682 million and an operating loss of USD3,257 million was recorded compared to an operating loss of USD7,000 in 2012.

FINANCIAL PERFORMANCE
The Group recorded a net loss before tax of USD856,000 compared to a loss of USD208,000 in 2012. This net loss before tax was achieved despite the above noted operating loss for 2013 due to a gain on the purchase of the business of Unifreight Limited of USD2,456 million. The subdued operating performance of the Group is now set to be boosted in 2014 with the acquisition of the Unifreight business and the extra and varied operating units that will now form part of the Group's results.

Foreign subsidiaries reporting currencies are principally in South African Rand and Botswana Pula which were converted to United States Dollars at appropriate cross rates for reporting purposes.

FOREIGN SUBSIDIARIES
Foreign subsidiries continue to perform well, accounting for 44% of the Group's revenue and an operating profit of USD35,000 in 2013.

PXL Freight and Logistics South Africa, Pioneer Clan Botswana and Mavambo Coaches South Africa comprise the foreign subsidiaries.

Strategic contracts with Blue Chip companies in South Africa to move freight into Zimbabwe and the region contributed to consistent revenue performance in 2013.

LOCAL SUBSIDIARIES
Certain local subsidiaries' performed better in 2013 despite the challenging operating environment. Pioneer Transport, however contributed in the main to the operating loss reported above and this resulted in a change of management at the company in late 2013. We have every confidence that the new management will engineer a significant turnaround in performance and accountability leading to better control and improved results in 2014. Passenger business operations continue to be affected by depressed bus fares due to prevailing economic environment challenges. However despite his occupancy levels remained constant and the brand is strong in the market with a number of new buses introduced on the local and cross-border routes in late 2013 and early 2014.

UNIFREIGHT
The purchase of Unifreight Limited business has been approved with the obtaining in late 2013 of the final regulatory approval. The operating assets and liabilities have been duly recorded in the Group's statement of financial position as at 31 December 2013 which has seen a significant increase in the value of the business. With effect from 2014 trading results of Unifreight businesses will now be incorporated in the Group's results thereby boosting revenues by USD21 million per annum.

OUTLOOK
We, as a Group, are optimistic that the Zimbabwe economy and industry in general in Zimbabwe will improve in the medium to long term which will benefit our businesses positively. We are therefore positioning ourselves to take advantage of that improvement.

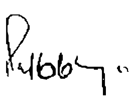
We also continue to look to the region for expansion and growth potential, with Zambia certainly being one of the more promising markets that we are looking to penetrate in 2014, as well as continuing to increase our footprint in Botswana.

The cost, structural and strategic initiatives implemented in 2013 and right sizing initiatives planned for 2014 should result in a significant turnaround of Group performance going forward. The on-going re-capitalisation of the business will result in improved operational efficiencies and strong Group brands for our customers. Various synergies can now be implemented with the Unifreight businesses included in the Group and this potential has created a great deal of excitement for improved Group performance in 2014.

A structured cost reduction drive has been implemented to ensure viable profit margins are achieved in 2014 and beyond. Positive performance is forecasted for 2014.

DIVIDEND
The Board has not declared a dividend in line with strategy to invest in working capital.

APPRECIATION
On behalf of the Board, I would like to thank management, staff and other stakeholders for their support and commitment in keeping the company moving forward during current challenging times.



Patrick Chingoka
Chairman
27 March 2014

DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of the Group for the year ended 31 December 2013.

The consolidated financial statements of Pioneer Corporation Africa Limited have been prepared in accordance with International Financial Reporting Standards (IFRS's)

Share capital details	**Number of ordinary shares**
Authorised share capital : Ordinary shares @ $0.01 each	140,000,000
Issued and fully paid share capital : Ordinary shares @ $0.01 each	54,976,650
Authorised but unissued shares under the control of the Directors : Ordinary shares @ $0.01 each	85,023,350

Reserves

The movement on Capital and Reserves is reflected in the Statement of Changes in Equity.

Directorate

Messrs Raphael Costa retired from the Board on 31 August 2013 and Albert Ushe retired from the Board on 28 February 2014. Messr Gary Ronald Smith the Group Finance Director was appointed the Chief Executive Officer with effect from 1 June 2014.

Directors' fees

Members will be asked to approve the payment of Directors' fees in respect of the year ended 31 December 2013.

Auditors

Members will be asked to approve the remuneration of the Auditors for the past year and re-appoint Ernst & Young Chartered Accountants (Zimbabwe) for the current year.

For and on behalf of the Board

P. C. Chingoka
Chairman

M.Mukamba
Company Secretary

27 March 2014

CORPORATE GOVERNANCE

Pursuant to Pioneer Corporation Africa Limited's endorsement of the King III Report on Corporate Governance for South Africa, the Board has taken further steps to promote transparency, integrity and accountability in the running of the Group.

Board of Directors

The Board has had two Executive Directors and six Non-Executive Directors, five of whom are independent. The Board meets at least quarterly.

Profiles of the Directors may be found on page 5-6 of this report. The roles of Chairman and CEO are completely separate and no individual has unfettered control over decision-making. The Board remains responsible to shareholders for the setting of strategic direction, monitoring of operational performance and management, risk management processes and policies, compliance and setting of authority levels as well as the selection of new directors. The Board is also responsible for the integrity and quality of communication with stakeholders, including employees, regulators and shareholders. All Directors have direct access to the advice and service of the Company Secretary and to information on the Group's affairs. Each Director is elected by members in a general meeting and must retire by rotation every three years and in the case of new directors, at the expiry of their first year. The Board has approved fees for the coming year, which, as before, are split between a standing quarterly fee and a fee per meeting or Committee meeting attended.

Directors' Interests

Directors of Pioneer Corporation Africa Limited are required to advise in writing of any material interest in any contract of significance with the Group or its subsidiaries. Messr H. B. W. Rudland is a shareholder and director of Scanlink (Private) Limited, the local Scania franchise dealer and Pellston (Private) Limited, a fuel supplier, with whom the Group has significant contracts.

Board Committees

The Board is assisted in the discharge of its responsibilities by a number of Committees which are accountable to the Board. These Committees are chaired by Non Executive Directors who exercise independent judgment.

Audit, Finance and Risk Committee

An independent Non Executive Director chairs the Audit and Finance Committee. The Audit Committee has adopted the terms of Reference for an Audit Committee as detailed in the King III report. In particular it assists the Board in the discharge of its duties relating to financial reporting to all stakeholders, compliance and effectiveness of accounting, business risks and management of information systems.

Human Resources and Remuneration Committee

This Committee was formed early in 2004 and has from its inception been chaired by an independent Non Executive Director until mid 2013. The CEO is invited to its meetings but does not participate in any discussions on his remuneration. The Committee is responsible for setting the remuneration of senior executives and fixing the remuneration packages of individual directors within agreed terms of reference, in order to avoid potential conflicts of interest. The broad guidelines of the Committee are to ensure that the financial rewards offered by the Group to employees are sufficient to attract people of the right calibre required for the effective running of the Group and to produce the required returns to its shareholders.

Strategy Committee

This Committee was established to ensure that strategic issues are monitored constantly, to ensure that the Group remains pro-active in a challenging environment. It has and will continue to assist the Board with its role of formulating the strategic direction of the Group, ensuring that it takes advantages of opportunities, whilst dealing appropriately and positively with threats.

Property Committee

This Committee was established to ensure that the critical property portfolio of the Group is handled separately. This was done in order for the portfolio to get due attention and also to ensure it's growth.

Independent Auditors Report

EY
Building a better working world

Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors
Angwa City
Cnr Julius Nyerere Way /
Kwame Nkrumah Avenue
P.O. Box 62 or 702
Harare
Zimbabwe

Tel: +263 4 750905-14 or 750979-83
Fax: +263 4 750707 or 773842
E-mail: admin@zw.ey.com
www.ey.com

To the Members of Pioneer Corporation Africa Limited

We have audited the accompanying consolidated financial statements of Pioneer Corporation Africa Limited and its subsidiaries (the Group), as set out on pages 14 to 46, which comprise the consolidated statement of financial position at 31 December 2013, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements
The company's directors are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act (Chapter 24:03) and the relevant statutory instruments and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Pioneer Corporation Africa Limited and its subsidiaries as at 31 December 2013, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of matter paragraph
Without qualifying our opinion, we draw your attention to Note 2.1.1, which indicates that the group, incurred a loss for the year ended 31 December 2013 of $1 272 000 (2012: Loss of $562 000) and as at that date had a net current liability position of $5 849 000 (2012: $2 536 000). These conditions along with other matters as set forth in Note 2.1.1 indicate the existence of material uncertainty which may cast significant doubt on the group's ability to continue as a going concern.

Report on Other Legal and Regulatory Requirements
In our opinion, the financial statements have, in all material respects, been properly prepared in compliance with the disclosure requirements of the Companies Act (Chapter 24:03) and the relevant Statutory Instruments (SI 33/99 and SI 62/96).

Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors

HARARE
18 June 2014

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2013

	Notes	2013 USD 000	2012 USD 000
ASSETS			
Non current assets		27,696	13,371
Property, vehicles and equipment	6	21,405	8,491
Investment Property	7	4,791	4,880
Intangible asset	8	1,500	-
Current assets		7,609	4,499
Inventories	10	1,060	327
Trade and other receivables	11	6,195	3,976
Cash and bank balances	12	354	196
TOTAL ASSETS		35,305	17,870
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent		7,414	5,349
Share capital	13	549	549
Non distributable reserve		8,357	4,762
Revaluation reserve		1,232	1,209
Foreign currency translation reserve		(693)	(412)
Shareholders loans	15	2,875	2,875
Accumulated loss		(4,906)	(3,634)
Non controlling interest	29	-	1,020
Total equity		7,414	6,369
Non current liabilities		14,433	4,466
Borrowings	15	7,615	2,290
Other payables	14	3,657	497
Purchase of business	29	1,115	-
Deferred income tax liabilities	16	2,046	1,679
Current liabilities		13,458	7,035
Trade and other payables	14	9,266	5,917
Purchase of business	29	537	-
Current income tax liabilities		200	150
Borrowings	15	3,455	968
TOTAL EQUITY AND LIABILITIES		35,305	17,870

These financial statements were approved by the Board on 27 March 2014 and signed on it's behalf by:

P.C. Chingoka
Chairman

G.R. Smith
Chief Executive Officer (Acting)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2013

	Notes	2013 USD 000	2012 USD 000
Revenue	5	**23,682**	**26,686**
Cost of sales	19	(15,764)	(16,710)
Gross Profit		7,918	9,976
Other operating income	18	1,384	982
Distribution expenses	19	(195)	(230)
Administration expenses	19	(11,034)	(9,974)
Other operating expenses	19	(908)	(761)
Write-off of vehicles and equipment	19	(422)	-
Operating (Loss)		(3,257)	(7)
Financing costs	21	(55)	(201)
Gain on business purchase	29	2,456	-
Loss before taxation		(856)	(208)
Income tax charge	22	(416)	(354)
(Loss) for the year		(1,272)	(562)
Other comprehensive income:			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		(281)	(648)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Revaluation surplus on property, vehicles and equipment, net of tax		23	148
Other comprehensive loss for the year, net of tax		(258)	(500)
Total comprehensive loss for the year, net of tax		(1,530)	(1,062)
Loss for the year attributable to:			
Owners of the parent		(1,272)	(907)
Non-controlling interest		-	345
		(1,272)	(562)
Total comprehensive loss attributable to:			
Owners of the parent		(1,530)	(1,370)
Non-controlling interest		-	308
		(1,530)	(1,062)
Basic loss per share (cents)	23	(2.31)	(1.65)
Diluted loss per share (cents)	23	(2.31)	(1.65)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2013

	Attributable to equity shareholders of the parent							
	Share capital USD 000 (note 13)	Non distributable reserves USD 000 (note 13)	Revaluation reserve USD 000 (note 13)	Foreign currency translation reserve USD 000 (note 13)	Shareholders' loans USD 000 (note 15)	Accumulated loss USD 000	Non controlling interest USD 000 (note 29)	Total equity USD 000
Year ended 31 December 2012								
Balance as at 1 January 2012	549	4,762	1,061	(88)	577	(2,727)	999	5,133
Transaction with Shareholders								
Shareholder loans transferred to equity (note 15)	-	-	-	-	2,298	-	-	2,298
Comprehensive (loss)/income								
(Loss) for the year	-	-	-	-	-	(907)	345	(562)
Other comprehensive income								
Currency translation differences	-	-	-	(324)	-	-	(324)	(648)
Revaluation of property, vehicles and equipment (net of tax)	-	-	148	-	-	-	-	148
Total comprehensive income	-	-	148	(324)	-	(907)	21	(1,062)
Balance as at 31 December 2012	549	4,762	1,209	(412)	2,875	(3,634)	1,020	6,369
Year ended 31 December 2013								
Balance as at 1 January 2013	549	4,762	1,209	(412)	2,875	(3,634)	1,020	6,369
Comprehensive (loss)/income								
(Loss) for the year	-	-	-	-	-	(1,272)	-	(1,272)
Purchase of business (note 29)	-	2,575	-	-	-	-	-	2,575
Buy-out of minority interests (note 29)	-	1,020	-	-	-	-	(1,020)	-
Other comprehensive income								
Currency translation differences	-	-	-	(281)	-	-	-	(281)
Revaluation of property, vehicles and equipment (net of tax)	-	-	23	-	-	-	-	23
Total Comprehensive Income	-	3,595	23	(281)	-	(1,272)	(1,020)	1,045
Balance as at 31 December 2013	549	8,357	1,232	(693)	2,875	(4,906)	-	7,414

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 December 2013

	Notes	2013 USD 000	2012 USD 000
Net cash generated from operating activities		1,224	1,933
Cash generated from operations	25	1,268	2,197
Interest paid		(41)	(151)
Taxation paid		(3)	(113)
Net cash utilised in investing activities		(2,663)	(593)
Purchase of property, vehicles and equipment to increase operations		(3,193)	(2,043)
Proceeds from sale of property, vehicles and equipment		455	1,450
Acquisition of a business (net of cash acquired) (note 29)		75	-
Net cash utilised in financing activities		1,557	(1,793)
Proceeds from borrowings		2,390	1,068
Repayments of borrowings		(833)	(2,861)
Net increase/(decrease) in cash and cash equivalents		118	(453)
Cash and cash equivalents at beginning of year		196	560
Net foreign exchange differences		40	89
Cash and cash equivalents at end of year	12	354	196

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 General information

Pioneer Corporation Africa Limited (formerly Clan Holdings Limited) was incorporated in Zimbabwe in 1970. It is the holding company of a Group of companies primarily involved in the road transport industry whose main activities include passenger services, inter-city freight, the distribution of general goods and a courier service. The Group has investments in an associated company involved in tyre retreading and new tyre sales.

The Company is incorporated in Zimbabwe. Other entities in the Group are incorporated in South Africa, Botswana and Mauritius. The company is listed on the Zimbabwe Stock Exchange.

These Group consolidated financial statements are presented in United States Dollars and were authorized for issue by the Board of Directors on 27 March 2014.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).
The consolidated financial statements have been prepared under the historical cost convention except for land and buildings that have been measured at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

2.1.1 Going concern.

The financial statements have been prepared on a going concern basis which assumes that the Group and the Company will continue in existence for the foreseeable future. However there are material uncertainties related to the conditions noted below which may cast significant doubt on the Group's and Company's ability to continue as a going concern and that they may be unable to realise their assets and discharge their liabilities in the normal course of business.

The Group as at 31 December 2013 had a net current liability position of USD 8 397m (2012 - USD 2 536m). In addition, at the year end the Group has borrowings totalling USD 11 070m (2012 - USD 3 258m) comprised mainly of non-current liabilities of USD 7 615m (2012 - USD 2 290m) of which USD 7 294m is due to a major shareholder and various finance lease liabilities amounting to USD 321k. The Group's ability to repay the debts may be in doubt, however the major shareholder has given an undertaking that loans within non-current liabilities do not need to be repaid in 2014.

The Groups' operations continue to be significantly affected by the increasingly challenging environment and lack of liquidity which has prevailed in Zimbabwe over the past number of years resulting in reduced activity and a stressed working capital environment.

The steps taken by Directors and management in 2013 to mitigate these conditions are progressing and nearing completion. The review of cost structures to bring these into line with expected revenues and economic activity in the region continues, the restructure of operations and management is nearing completion and fleet replacement and recapitalization remain a key objective of the Group. A strategy review and a refocus on profitable businesses and product lines has been conducted and adopted during the current year.

The Directors are confident that these cost, structural and strategic initiatives and the continued support of the major shareholder will ensure the return to profitability and positive cash flow and therefore the Group will continue to operate for the foreseeable future. The financial statements have therefore been prepared on a going concern basis.

If the Group was not able to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the year end values of assets to their recoverable amounts and to provide for further liabilities that might arise, and to reclassify non current assets and liabilities to current assets and liabilities.

2.1.2 Changes in accounting policies and disclosures.

(a) New and amended standards adopted by the Group

The accounting policies adopted are consistent with those of the previous financial year, except for the following IFRS and amendments to IFRS, relevant to the Group, and effective as of 1 January 2013:

- IAS 1 Presentation of items of other comprehensive income-Amendments to IAS1
- IAS 19 Employee Benefits (Revised)
- IAS 28 Investments in Associates and Joint Ventures (as revised in 2011)
- IFRS 10 Consolidated Financial Statements, IAS 27 Separate Financial Statements
- IFRS 12 Disclosure of Interests in Other Entities
- IFRS 13 Fair Value Measurement

The adoption of the standards is described below:

IAS 1 Presentation of items of other comprehensive income(OCI) – Amendments to IAS 1
The amendments to IAS 1 introduce a grouping of items presented in OCI. Items that will be reclassified ('recycled') to profit or loss at a future point in time (e.g., net loss or gain on available for sale financial assets (AFS) have to be presented separately from items that will not be reclassified (e.g., revaluation of land and buildings). The amendments affect presentation only on the face of the statement of comprehensive income and have no impact on the Group's financial position or performance.

IAS 19 Employee Benefits (Revised)
IAS 19 (Revised 2011) changes, amongst other things, the accounting for defined benefit plans. Key changes that are applicable to the Group include the following:

- Termination benefits will be recognised at the earlier of when the offer of termination cannot be withdrawn, or when the related restructuring costs are recognised under IAS 37 - Provisions, Contingent Liabilities and Contingent Assets.
- The distinction between short-term and other long-term employee benefits will be based on expected timing of settlement rather than the employee's entitlement to the benefits.

The Group considered the above changes when accounting for termination benefits and short term and long term employee benefits and there was no significant impact on its financial statements.

IAS 28 Investments in Associates and Joint Ventures (as revised in 2011)
As a consequence of the new IFRS 11 Joint Arrangements, and IFRS 12 Disclosure of Interests in Other Entities, IAS 28 Investments in Associates, has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. The revised standard did not have any impact on the Group statement of financial position or performance as it does not have any jointly controlled entities and the accounting for its associate has not changed as result of the revised standard.

IFRS 10 Consolidated Financial Statements and IAS 27 Separate Financial Statements
IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also addresses the issues raised in SIC-12 Consolidation — Special Purpose Entities. IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgement to determine which entities are controlled and therefore are required to be consolidated by a parent, compared with the requirements that were in IAS 27. IFRS 10 did not have any impact on the currently held investments of the Group.

IFRS 12 Disclosure of Interests in Other Entities
IFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. The requirements in IFRS 12 are more comprehensive than the previously existing disclosure requirements for subsidiaries. Refer Note 28 for the disclosures.

IFRS 13 Fair Value Measurement
IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure and disclose fair value under IFRS. IFRS 13 defines fair value as an exit price. As a result of the guidance in IFRS 13, the Group re-assessed its policies for measuring fair values, in particular, its valuation inputs such as non-performance risk for fair value measurement of liabilities. IFRS 13 also requires additional disclosures.

Application of IFRS 13 has not materially impacted the fair value measurements of the Group. Additional disclosures that are required, are provided in the individual notes relating to the assets and liabilities whose fair values were determined.

IFRS 13 Fair Value Measurement - Short term receivables and payables
The IASB clarified in the Basis for Conclusions that short term receivables and payables with no stated interest rates can be held at invoice amounts when the effect of discounting is immaterial. This is effective immediately. The Group has evaluated that the effect of discounting on its short term receivables and payables is not material.

(b) New standards, interpretations and amendments to existing standards that are not yet effective
Standards issued but not yet effective up to the date of issuance of the Group's financial statements are listed below. This listing is of standards and interpretations issued, which the Group reasonably expects to be applicable at a future date. The Group intends to adopt those standards when they become effective. The Group expects adoption of these standards, amendments and interpretations in most cases not to have any significant impact on the Group's financial position or performance in the period of initial application but additional disclosures will be required. In cases where it will have an impact the Group is still assessing the possible impact.

IFRS 9 Financial Instruments
IFRS 9, as issued, reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to IFRS 9 Mandatory Effective Date of IFRS 9 and Transition Disclosures, issued in December 2011, moved the mandatory effective date to 1 January 2015. The effective date has subsequently been removed.

In subsequent phases, the IASB is addressing hedge accounting and impairment of financial assets. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will not have an impact on classification and measurement of the Group's financial liabilities. Furthermore, the Group does not apply hedge accounting. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)
These amendments effective for annual periods beginning on or after 1 January 2014 provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. It is not expected that this amendment would be relevant to the Group, since none of the entities in the Group would qualify to be an investment entity under IFRS 10.

IFRIC Interpretation 21 Levies (IFRIC 21)
IFRIC 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached.

IFRIC 21 is effective for annual periods beginning on or after 1 January 2014. The Group does not expect that IFRIC 21 will have material financial impact in future financial statements as no such levies are charged to the Group.

IAS 19 Employee Benefits - Accounting for defined benefit plans
IAS 19 (Revised 2011) changes, amongst other things, the accounting for defined benefit plans. Key changes that are applicable to the Group include the following:

- Termination benefits will be recognised at the earlier of when the offer of termination cannot be withdrawn, or when the related restructuring costs are recognised under IAS 37 – Provisions, Contingent Liabilities and Contingent Assets.
- The distinction between short-term and other long-term employee benefits will be based on expected timing of settlement rather than the employee's entitlement to the benefits.

The Group considered the above changes when accounting for termination benefits and short-term and long-term employee benefits and there was no significant impact on its financial statements.

IAS 32 Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32
These amendments clarify the meaning of "currently has a legally enforceable right to set-off" and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting. These are effective for annual periods beginning on or after 1 January 2014. These amendments are not expected to be relevant to the Group as no such offsetting arrangements are in place.

IAS 36 Impairment of Assets-Recoverable Amount Disclosures for Non-Financial Assets - Amendments to IAS 36.
These amendments remove the unintended consequences of IFRS 13 on the disclosures required under IAS 36. In addition, these amendments require disclosure of the recoverable amounts for the assets or CGUs for which impairment loss has been recognised or reversed during the period. These amendments are effective retrospectively for annual periods beginning on or after 1 January 2014 with earlier application permitted, provided IFRS 13 is also applied.

These amendments would continue to be considered for future disclosures when they become effective for the Group.

IAS 39 Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39
These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. These amendments are effective for annual periods beginning on or after 1 January 2014. The Group does not have any derivatives and does not apply hedge accounting.

Improvements to IFRSs
In December 2013, the IASB issued two cycles of Annual Improvements to IFRSs that contain changes to 9 standards. The changes are effective from 1 July 2014 either prospectively or retrospectively. A summary of each amendment is described below:

IFRS 2 Share based payment (Amendments to Definitions relating to vesting conditions)

Performance conditions and service conditions are defined in order to clarify various issues. The issues relate to performance conditions which must contain a service condition and a performance target which must be met while the counterparty renders service. The amendment also clarifies that a performance target may relate to the operations of an entity or to those of an entity in the same group. The amendment is effective from 1 July 2014 and is not expected to have a material impact on the Group financial statements. The Group does not currently have share based payments.

IFRS 3 Business Combinations - Scope for joint ventures
The amendment clarifies that joint arrangements are outside the scope of IFRS 3, not just joint ventures, and the scope exception applies only to the accounting in the financial statements of the joint arrangement itself. Amendment will not affect the Group as it is currently not party to any joint arrangements. This amendment is effective from 1 July 2014.

IFRS 3 Business Combinations - Accounting for contingent consideration in a business combination
Contingent consideration in a business acquisition that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of IFRS 9 Financial Instruments. The amendment will not have a material impact on the financial statements of the Group.

IFRS 8 Operating Segments - Aggregation of operating segments and reconciliation of the total of the reportable segment assets to the entity's total assets

Operating segments may be combined/aggregated if they are consistent with the core principle of the standard, if the segments have similar economic characteristics and if they are similar in other qualitative respects. If they are combined, the entity must disclose the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'. The amendment is not expected to impact the Group as no operating segments are currently aggregated.

Reconciliation of the total of the reportable segment assets to the entity's total assets
The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities. The amendment is not expected to affect the Group's segment reporting as no reconciliations are currently presented.

IFRS 13 Fair value measurement - Portfolio exception
The amendment clarifies that the portfolio exception in IFRS 13 can be applied to financial assets, financial liabilities and other contracts. The amendment is not expected to affect the Group. The amendment is effective from 1 July 2014.

IAS 16 Property, plant and equipment and IAS 38 Impairment - Revaluation method-proportionate restatement of accumulated depreciation

The amendment clarifies that revaluation can be performed by adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying amount and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value The amendment also clarified that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount of the asset (i.e., gross carrying amount – accumulated depreciation/amortisation = carrying amount).

The amendment to IAS 16.35(b) and IAS 38.80(b) clarifies that the accumulated depreciation/amortisation is eliminated so that the gross carrying amount and carrying amount equal the market value. The Group will need to consider the impact of the amendment when it becomes effective as it does revalue its properties. The amendment is effective from 1 July 2014.

IAS 24 Related party disclosures - Key management personnel
The amendment clarifies that a management entity – an entity that provides key management personnel services – is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. Amendment will not affect the Group as it has no management entity providing key management services to the Group. The amendment is effective from 1 July 2014.

IAS 40 Investment property - Clarifying the interrelationship of IFRS 3 and IAS 40 when classifying investment property or owner occupied property - Amendment to IAS 40.

The description of ancillary services in IAS 40 differentiates between investment property and owner occupied property. IFRS 3 is used to determine if the transaction is the purchase of an asset or a business combination. The amendment is not expected to affect the Group and is effective 1 July 2014.

2.2 Consolidation, Business Combinations and Goodwill

a) Basis of consolidation
The consolidated financial statements comprise the financial statements of Pioneer Corporation Africa Limited and its subsidiaries as at 31 December 2013. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income and financial position from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary.
- Derecognises the carrying amount of any non-controlling interest.
- Derecognises the cumulative translation differences, recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss.
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

(b) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. If the business combination is achieved in stages, the fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash generating unit retained.

(c) Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.
The Group's investments in its associate are accounted for using the equity method.
Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, then recognises the loss as 'Share of profit of an associate' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Strategy Committee that makes strategic decisions.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in United States Dollars, which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, within 'finance income or cost'. All other foreign exchange gains and losses are presented in profit or loss within 'other (losses)/gains - net'.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing rate at the reporting date;
(ii) income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
(iii) all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

2.5 Property, vehicles and equipment

Vehicles and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, vehicles and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, vehicles and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, vehicles and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised at the date of revaluation. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

A revaluation surplus is recorded in OCI and credited to the asset revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Main line vehicles	3 - 7 years
Trailers and tankers	3 - 15 years
Other vehicles	3 - 5 years
Plant and machinery	3 - 7 years
IT equipment	3 - 10 years
Furniture, fittings and office equipment	3 - 5 years
Buildings	50 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.7). Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

When revalued assets are sold, the amounts included in revaluation reserves are transferred to retained earnings.

2.6 Investment property

Property that is held for long-term rental yields or for capital appreciation or both; and that is not occupied by the companies in the Group, is classified as investment property.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. Borrowing costs include those incurred for the purpose of acquiring, constructing or producing a qualifying asset. After initial recognition, investment property is carried at cost less subsequent depreciation and impairment losses.

Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no economic benefit is expected from its disposal.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

2.7 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

2.7.1 Financial assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables, or available-for-sale financial assets as appropriate. Financial assets are recognised initially at fair value plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets on initial recognition and where allowed and appropriate, re-evaluates the designation at each financial year end.

All regular way purchases and sales of financial assets are recognised on the trade date, i.e. the date the Group commits to purchase or sell the assets. Regular way purchases or sales of financial assets require delivery of assets within the time frame generally established by regulation or convention in the market place.

Subsequent measurement

Subsequent measurement depends on the class of financial asset.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with gains or losses recognised in profit or loss. This treatment is applicable to the Group, including the associate company for consistency purposes.

Available-for-sale financial investments

Equity instruments classified as available for sale are those designated as available-for-sale and are not classified as financial assets at fair value through profit or loss, loans and receivables, or held-to-maturity. After initial measurement, available-for-sale financial assets are measured at fair value with unrealised gains or losses recognised directly in other comprehensive income until the investment is derecognised or determined to be impaired at which time the cumulative gain or loss previously recorded in equity is recognised in profit or loss.

Held-to-maturity investments

These are non-derivative financial assets that comprise fixed or determinable payments and maturities of which the Group has the positive intention and ability to hold until maturity. These investments are initially recognised at fair value, being the fair value of the consideration paid for the acquisition of the investment. All transaction costs directly attributable to the acquisition are also included in the cost of the investment. Subsequent to initial recognition, these investments are carried at amortised cost, using the effective interest rate method. Gains and losses are recognised in profit or loss when the investments are de-recognised or impaired, as well as through the amortisation process.

Loans and other receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These investments are initially recognised at cost, being the fair value of the consideration paid for the acquisition of the investment. All transaction costs directly attributable to the acquisition are also included in the cost of the investment. After initial measurement, loans and receivables are measured at amortised cost, using the EIR, less allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. Gains and losses are recognised in the profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

2.7.2 Financial liabilities

Financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, directly attributable transaction costs. The Group's financial liabilities include loans and other payables. Subsequently, financial liabilities are measured at fair value, with the following exceptions:

- Interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the effective interest rate method (EIR) amortisation process.

2.7.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.7.4 Amortised cost of financial assets

Amortised cost is computed using the effective interest rate method less any allowance for impairment and principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

2.7.5 Impairment of financial assets

The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised costs

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Interest income (recorded as finance income in the profit or loss) continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the profit or loss.

Available for sale financial assets
For available for sale assets the Group assesses at each reporting date whether there is objective evidence that investments or group of investments is impaired. In the case of equity investments classified as available-for-sale, objective evidence would include a 'significant or prolonged' decline in the fair value of the investments below its cost. 'Significant' is to be evaluated against the original cost of the investments and 'prolonged' against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss – is removed from other comprehensive income and recognized in profit or loss. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as AFS, the impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the profit or loss.

2.7.6 De-recognition of financial assets and liabilities

Financial assets
A financial asset is de-recognised when the right to receive cash flows from the asset has expired or the Group has transferred its right to receive cash flows from the asset and has transferred substantially all the risks and rewards of the asset to another party.

Financial liabilities
A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires.

2.8 Inventories
Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.9 Trade receivables
Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.10 Cash and cash equivalents
Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts.

2.11 Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.12 Trade payables
Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.13 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax is not recognised if it arises from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.14 Employee benefits

(a) Pension obligations

The Group provides for pensions on retirement for all employees by means of a defined contribution pension fund which is administered by a Board of Trustees.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

(c) Profit sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.15 Provisions

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.16 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) Sale of services

The Group sells transportation services to manufacturers, mining companies and the public in general. These services are provided on an ad hoc basis or as a fixed-price contract, with contract terms generally ranging from less than one year to three years.

Revenue from delivering transportation services is generally recognised in the period the services are provided or in the case of a fixed-price contract by reference to the stage of completion. Stage of completion is based on days the client has been served of the total contract period. If circumstances arise that may change the original estimates of revenues, costs or extent of progress toward completion, estimates are revised. These revisions may result in increases or decreases in estimated revenues or costs and are reflected in income in the period in which the circumstances that give rise to the revision become known by management.

(b) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

(c) Dividend income

Dividend income is recognised when the right to receive payment is established.

(d) Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the profit or loss due to its operating nature.

2.17 Leases

Group as a lessee

Finance leases that transfer substantially all the risks and benefits incidental to ownership of the leased item to the Group, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of comprehensive income.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an operating expense in the profit or loss on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.18 Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the company's shareholders.

2.19 Fair value measurement

The Group measures financial instruments and non-financial assets such as investment properties and land and buildings, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in the relevant notes.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Group's executive committee determines the policies and procedures for both recurring and non-recurring fair value measurement. The executive committee comprises of the Group CEO, the Group Finance Director and heads of the various business units.

External valuers are involved for valuation of significant assets, such as properties. Involvement of external valuers is decided upon annually by the executive committee after discussion with and approval by the Group's finance and audit committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The executive committee decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the executive committee analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the executive committee verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The executive committee, in conjunction with the Group's external valuers, also compares the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an interim basis, the executive committee and the Group's external valuers present the valuation results to the finance and audit committee and the Group's independent auditors. This includes a discussion of the major assumptions used in the valuations.

2.20 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.
Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the profit or loss as the expense category that is consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

2.21 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 December, as appropriate, and when circumstances indicate that the carrying value may be impaired.

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The Group therefore adopts a non-speculative approach in managing risk whilst maximising profits.

Risk management is carried out by the Board's Strategy Committee under policies approved by the board of directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of non-derivative financial instruments, and investment of excess liquidity.

(a) Market risk

(i) Foreign exchange risk

The Group operates regionally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the South African Rand and the Botswana Pula. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. Currency risk, as far as possible, is managed by matching foreign denominated liabilities with foreign currency denominated liquid assets.

At 31 December 2013, if the foreign currencies had weakened by 10% with all other variables held constant, post-tax loss for the year would have been USD 5 948 (2012 - USD 36 000) higher/lower and if the foreign currencies had strengthened by 10% with all other variables held constant, post-tax loss for the year would have been USD 7 269 (2012 - USD 45 000) lower/higher. This is mainly as a result of foreign exchange gains/losses on translation of intercompany balances between foreign and local units.

At 31 December 2013, if the foreign currencies had weakened by 10% with all other variables held constant, equity would have been USD 102 959 (2012 - USD 186 000) lower and if the foreign currencies had strengthened by 10% with all other variables held constant, equity would have been USD 125 839 (2012 - USD 227 000) higher. This is mainly as a result of foreign exchange gains/losses on translation of intercompany balances between foreign and local units.

(ii) Cash flow and fair value interest rate risk

The Group's interest rate risk arises from long term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

At 31 December 2013, if interest rates on borrowings had been 1% higher with all other variables held constant, post-tax loss for the year would have been USD 556 (2012 - USD 1 841) higher and if interest rates on borrowings had been 1% lower with all other variables held constant, post-tax loss for the year would have been USD 556 (2012 - USD 1 841) lower, mainly as a result of higher/lower interest expense on floating rate borrowings.

(b) Credit risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. Management assess the quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set by the Audit and Finance Committee of the Board. The utilisation of credit limits is regularly monitored.

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Group's liquidity reserve which comprises undrawn borrowing facility, cash and cash equivalents on the basis of expected cash flow and funds from the major shareholder.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

At 31 December 2012	Up to 1 month USD 000	1 to 6 months USD 000	6 months to 1 year USD 000	1 to 5 years USD 000	Total USD 000
Liabilities					
Trade and other payables	1,162	4,755	-	497	6,414
Borrowings	-	3	965	2,290	3,258
Total liabilities	1,162	4,758	965	2,787	9,672
At 31 December 2013					
Liabilities					
Trade and other payables	1,405	4,143	4,255	4,772	14,575
Borrowings	-	1,353	2,102	7,615	11,070
Total liabilities	1,405	5,496	6,357	12,387	25,645

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. During 2013, the Group's strategy was to maintain the gearing ratio within 40% to 50% (2012 - 40%-50%), which was maintained throughout the period. The gearing ratio at 31 December 2013 was 59% (2012 - 32%)

	2013 USD 000	2012 USD 000
Total borrowings	11,070	3,258
Less: cash and cash equivalents	(354)	(196)
Net debt	10,716	3,062
Total equity	7,414	6,369
Total capital	18,130	9,431
Gearing ratio	59%	32%

3.3 Fair value disclosures

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The directors fair value property, vehicles and equipment based on market valuations undertaken on a regular basis.

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of related actual results. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment losses on trade and other receivables

The Group reviews its trade and other receivables to assess impairment on a monthly basis. In determining whether an impairment loss should be recorded in profit or loss, the Group makes judgements as to whether there is observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of trade and other receivables before the decrease can be identified with an individual receivables in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in the Group, or national or local economic conditions that correlate with defaults in the Group. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

(b) Income taxes

The Group is subject to income taxes in a number of jurisdictions. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(c) Useful lives and values of property, vehicles and equipment

The Group management determines the estimated useful lives and related depreciation charges for its property, vehicles and equipment and intangible assets. This estimate is based on projected lifecycles for these assets. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

(d) Revaluation of land & buildings

The Group carries land and buildings at revalued amounts with changes in fair value being recognised in OCI. The Group engaged an independent valuation specialist to assess fair value as at 31 December 2013 for investment properties and land and buildings. Land and buildings were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property.

(e) Going concern

The Directors assess the ability of the Group to continue operating as a going concern at the end of each financial year. As at 31 December 2013, the Directors have assessed the Group will continue operating as a going concern and believe that the preparation of these financial statements on a going concern basis is therefore still appropriate.

(f) Valuation of intangible assets

The intangible assets were acquired as part of a business combination that was completed on 31 December 2013. In arriving at fair value of the intangible asset management was guided by an independent valuer who performed a due diligent exercise on the assets to be acquired. The value as ascribed by that valuer has not been adjusted.

(g) Amortisation of shareholders' loans

The shareholders' loans which are interest free and have no fixed tenure, have been disclosed at the cash values received and not at amortised cost as the Group could not reasonably ascertain when the loans will be repaid. The Group could also not reasonably determine a market interest rate as there is currently very limited long term financing in the market.

Had a market rate and tenure been reasonably established, the difference between the cash value received and the present value of the loan would have been recognised as an equity component in the statement of changes in equity.

The sensitivity analysis below shows what components would have been recognised as a liability and equity assuming the loans were to be paid over a five year period using varying interest rates.

Assumed market rate	6%	14%	18%	25%
Liability portion	6,375,114	5,205,090	4,738,254	4,061,540
Equity portion	1,158,695	2,328,719	2,795,555	3,472,269
Total shareholders' loans (note 15)	7,533,809	7,533,809	7,533,809	7,533,809

5 Segment Information

Management has determined the operating segments based on the reports reviewed by the Strategy Committee that are used to make strategic decisions. The Committee considers the business from a service line perspective.

The reportable operating segments derive their revenue primarily from the sale of transport and logistics services. The Committee assesses the performance of the operating segments based on a measure of PBT. Interest income and expenditure are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group.

At 31 December 2013, the Group is organised into three main operating segments
- Consolidations and Services
- Freight
- Passenger

The segment results for the year ended 31 December 2013 are as follows

	Consolidation and Services USD 000	Freight USD 000	Passenger USD 000	Corporate USD 000	Consolidated USD 000
Total segment revenue	431	20,497	7,229	632	28,789
Inter segment revenue	-	(4,261)	(214)	(632)	(5,107)
Total revenue	431	16,236	7,015	-	23,682
Segment result:					
Operating profit/(loss)	13	(3,466)	(431)	627	(3,257)
Net Finance costs					(55)
Gain on business purchase (note 29)					2,456
Net loss before income tax					(856)
Income tax charge					(416)
Loss for the year					(1,272)
Statement of financial position at 31 December 2013					
Assets					
Non-current assets	13,403	3,855	3,781	6,657	27,696
Current assets	3,981	2,652	597	379	7,609
Total assets	17,384	6,507	4,378	7,036	35,305
Liabilities					
Non-current liabilities	6,096	2,204	1,837	4,296	14,433
Current liabilities	3,368	6,706	2,208	1,176	13,458
Total liabilities	9,464	8,910	4,045	5,472	27,891

5 Segment Information (continued)

The segment results for the year ended 31 December 2012 are as follows

	Consolidation and Services USD 000	Freight USD 000	Passenger USD 000	Corporate USD 000	Consolidated USD 000
Total segment revenue	443	23,153	6,756	402	30,754
Inter segment revenue	-	(3,666)	-	(402)	(4,068)
Total revenue	443	19,487	6,756	-	26,686
Segment result:					
Operating profit/(loss)	25	650	(488)	(194)	(7)
Net Finance costs					(201)
Net loss before income tax					(208)
Income tax charge					(354)
Loss for the year					(562)
Statement of financial position at 31 December 2012					
Assets					
Non-current assets	24	4,681	1,921	6,745	13,371
Current assets	136	4,000	254	109	4,499
Total assets	160	8,681	2,175	6,854	17,870
Liabilities					
Non-current liabilities	6	2,886	75	1,499	4,466
Current liabilities	77	4,741	1,399	818	7,035
Total liabilities	83	7,627	1,474	2,317	11,501

The Group operates in three main geographical areas, even though they are managed on a regional basis.
The home country of the holding company is Zimbabwe.

The Groups revenue is generated mainly within the geographical zones of Zimbabwe, Botswana and Republic of South Africa

	2013 USD 000	2012 USD 000
Revenue		
Geographical Zone		
Zimbabwe	13,252	7,996
Botswana	1,542	1,573
South Africa	8,888	17,117
	23,682	26,686
Total assets		
Geographical Zone		
Zimbabwe	32,193	13,898
Botswana	823	536
South Africa	2,289	3,436
	35,305	17,870
The assets are allocated based on where the assets are located.		
Total liabilities		
Geographical Zone		
Zimbabwe	25,895	8,424
Botswana	726	503
South Africa	1,270	2,574
	27,891	11,501

6 Property, vehicles and equipment

	Land and buildings USD 000	Motor vehicles USD 000	Equipment, furniture and fittings USD 000	Total USD 000
At 1 January 2012				
Cost or valuation	1,833	8,385	574	10,792
Accumulated depreciation	(93)	(2,276)	(314)	(2,683)
Net carrying amount	1,740	6,109	260	8,109
Year ended 31 December 2012				
Opening net book amount	1,740	6,109	260	8,109
Additions	-	1,968	75	2,043
Revaluation surplus	200	-	-	200
Disposals	-	(280)	(1)	(281)
Depreciation charge	(28)	(1,461)	(53)	(1,542)
Effect of currency movements	-	(35)	(3)	(38)
Closing net carrying amount	1,912	6,301	278	8,491
At 31 December 2012				
Cost or valuation	2,033	9,241	636	11,910
Accumulated depreciation	(121)	(2,905)	(355)	(3,381)
Effect of currency movements	-	(35)	(3)	(38)
Net carrying amount	1,912	6,301	278	8,491
Year ended 31 December 2013				
Opening net book amount	1,912	6,301	278	8,491
Additions	-	3,136	57	3,193
Acquisition of a business (note 29)	-	10,297	1,575	11,872
Revaluation surplus	31	-	-	31
Disposals	-	(772)	(11)	(783)
Depreciation charge	(28)	(1,163)	(68)	(1,259)
Effect of currency movements	-	(118)	(22)	(140)
Closing net carrying amount	1,915	17,681	1,809	21,405
At 31 December 2013				
Cost or valuation	2,064	21,596	2,233	25,893
Accumulated depreciation	(149)	(3,797)	(402)	(4,348)
Effect of currency movements	-	(118)	(22)	(140)
Net carrying amount	1,915	17,681	1,809	21,405

Fair value measurement of group's land and buildings

Fair value of the land and buildings was determined by using market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific property. At the date of revaluation 31 December 2013, the land and buildings' fair values are based on valuations performed by Dawn Property Consultancy (Private) Limited, an accredited independent valuer.

Gains and losses recorded in other comprehensive income for recurring fair value measurements categorised within level 3 of the fair value hierarchy amount to USD 23 000 and are presented in the consolidated statement of comprehensive income in line item 'Revaluation surplus on Property, vehicles and equipment'.

The current use of the land and buildings have been evaluated as the highest and best use options for the properties.

Fair value hierachy		Level 1 USD 000	Level 2 USD 000	Level 3 USD 000	**Total Fair Value USD 000**
Land and buildings	31 December 2013	-	-	1,915	**1,915**
Land and buildings	31 December 2012	-	-	1,912	**1,912**

The category of motor vehicles includes vehicles leased by the Group under non-cancellable finance lease arrangements with the following carrying amounts: (note 15).

	2013 USD 000	2012 USD 000
Cost	4,447	2,962
Accumulated Depreciation	(772)	(782)
Net carrying amount	3,675	2,180

The lease terms are between one and five years and ownership of the assets lie within the Group.

7 Investment Property

Investments	Land and buildings USD 000
Year ended 31 December 2012	
Opening net carrying amount	5,518
Disposals	(549)
Depreciation charge	(89)
Closing net carrying amount	4,880
At 31 December 2012	
Cost or valuation	5,058
Accumulated depreciation	(178)
Net carrying amount	4,880
Year ended 31 December 2013	
Opening net carrying amount	4,880
Depreciation charge	(89)
Closing net carrying amount	4,791
At 31 December 2013	
Cost or valuation	5,058
Accumulated depreciation	(267)
Net carrying amount	4,791

Fair value of the investent properties was determined by using market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific property. At the date of revaluation 31 December 2013, the land and buildings' fair values are based on valuations performed by Dawn Property Consultancy (Private) Limited, an accredited independent valuer.

The current use of the investment properties have been evaluated as the highest and best use options for the properties.

Fair value hierachy		Level 1 USD 000	Level 2 USD 000	Level 3 USD 000	**Total Fair Value USD 000**
Land and buildings	31 December 2013	-	-	4,990	**4,990**
Land and buildings	31 December 2012	-	-	4,967	**4,967**

8 Intangible asset

	2013 USD 000	2012 USD 000
Carrying Amount at 1 January	-	-
Acquired in business combination	1,500	-
Amortisation & Impairment	-	-
Carrying Amount at 31 December	1,500	-

The intangible asset was acquired in a business combination and relates to the intellectual property rights in relation to the SWIFT name.
The intangible asset has been evaluated as having an indefinite useful life as the brand name is very popular in Zimbabwe and is expected to continue as such for the forseeable future.

9 Financial instruments by category

	Loans and receivables at amortised cost 2013 USD 000	Loans and receivables at amortised cost 2012 USD 000
Assets as per statement of financial position		
Trade and other receivables (excluding prepayments)	6,022	3,894
Cash and bank balances	354	196
Total	6,376	4,090

9 Financial instruments by category (continued)

Liabilities as per statement of financial position	Other financial liabilities at amortised cost 2013 USD 000	Other financial liabilities at amortised cost 2012 USD 000
Borrowings	8,374	1,853
Finance lease liabilities	2,696	1,405
Trade and other payables (excluding statutory liabilities)	8,903	4,323
Total	19,973	7,581

10 Inventories

	2013 USD 000	2012 USD 000
Spares and fuel	1,060	327

The cost of inventories recognised as expense and included in 'cost of sales' amounted to USD 9 094 310 (2012: USD 9 959 145)

11 Trade and other receivables

	2013 USD 000	2012 USD 000
Current		
Trade receivables	4,131	3,300
Less: provision for impairment	(158)	(238)
Trade receivables - net	3,973	3,062
Prepayments	173	82
Staff debtors	338	117
VAT receivable	768	404
Other debtors	943	311
	6,195	3,976

Trade and other receivables are non-interest bearing and are generally on terms of 30-90 days

As at 31 December 2013 trade and other receivables of USD 4 680 925 (2012 : USD 3 116 612) were fully performing.

As of 31 December 2013, trade and other receivables of USD 572 107 (2012: USD 373 123) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The credit quality of debtors is considered to be sound.

The ageing analysis of these receivables is as follows:

	2013 USD 000	2012 USD 000
Up to 3 months	134	36
3 to 6 months	438	337
Total	572	373

As at 31 December 2013 trade and other receivables of USD 158 014 (2012: USD 237 842) were past due and impaired.

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

Currency	2013 USD 000	2012 USD 000
US Dollar	4,916	2,181
RSA Rand	982	1,648
Botswana Pula	297	147
	6,195	3,976

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Group does not hold any collateral as security.

11 Trade and other receivables (continued)

Movements on the provision for impairment of trade receivables are as follows:

	2013 USD 000	2012 USD 000
At 1 January	238	191
Write offs	(238)	(97)
Provision for receivables impairment	158	144
At 31 December	158	238

The creation and release of provision for impaired receivables have been included in 'other expenses' in the statement of comprehensive income. Amounts charged to the allowance account are generally written off, when there is no expectation of recovering additional cash. The other classes within trade and other receivables do not contain impaired assets.

12 Cash and cash equivalents

Cash and cash equivalents include the following for the purposes of the statement of cash flows:

	2013 USD 000	2012 USD 000
Cash at bank and on hand	354	196

13 Share capital and reserves

Share capital

	Number of shares	Ordinary shares USD 000	Share premium USD 000	Total USD 000
At 31 December 2012	54,976,650	549	-	549
At 31 December 2013	54,976,650	549	-	549

The total number of authorised ordinary shares is 140 000 000 shares.
There are 85 023 350 unissued shares which are under the control of the directors as at reporting date. All issued shares are fully paid.
51 497 587 shares were issued in March 2014 to cover the purchase of the operating assets of Unifreight Limited.
In 2011 the shares were redenominated to USD0.01 per ordinary share and consolidated at 1:10.

Reserves

	Non Distributable Reserve USD 000	Revaluation Reserve USD 000	Foreign Currency Translation Reserve USD 000
At 31 December 2012	4,762	1,209	(412)
At 31 December 2013	8,357	1,232	(693)

Non Distributable Reserve
The reserve arose on the conversion of Zimbabwe dollar balances into the new functional currency of United States Dollars. Effect of transactions between owners in their capacity as owners is also accounted for in this reserve.

Part payment of the consideration of the purchase of the Unifreight business is payable through the issue of a fixed number of Pioneer Corporation Africa Limited shares. The obligation meets the criteria of being recognised as an equity transaction. The fair value of the shares to be issued amounting to USD2,575m has been accounted for in this reserve.

Revaluation reserve
The revaluation reserve is used to record increases in the fair value of land and buildings and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in equity.

Foreign currency translation reserve
The foreign currency translation reserve is used to record exchange differences arising on the translation of the financial statements of foreign subsidiaries.

14 Trade and other payables

	2013 USD 000	2012 USD 000
Non current		
Payables due to related parties (note 27)	1,689	-
Other payables	1,968	497
	3,657	497
Current		
Trade payables	4,149	2,477
Trade payables due to related parties (note 27)	423	960
Accrued expenses	966	868
Social security and other statutory liabilities	3,728	1,612
	9,266	5,917

Trade and other payables are non-interest bearing and are normally settled within 30-60 days

15 Borrowings

	2013 USD 000	2012 USD 000
Non current		
Shareholders' loans	7,294	4,050
Less: Shareholders' loans transferred to equity	-	(2,875)
	7,294	1,175
Finance lease liabilities	321	1,115
	7,615	2,290
Current		
Shareholders' loans	240	547
Finance lease liabilities	2,375	290
Bank overdraft	576	61
Other	264	70
	3,455	968
Total borrowings	11,070	3,258

The loans are from the major shareholders and are denominated in United States Dollars.
The loans from prior years which were transferred to equity were interest-free and had no fixed terms of re-payment.
Loans in the amount of USD 2 874 881 were moved to equity in 2012 in line with IAS39 as the shareholders have waived their rights to repayment of these loans.
All loans are unsecured.

Finance lease liabilities (note 6)
Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

Finance lease liabilities – minimum lease payments

	2013 USD 000	2012 USD 000
Later than 1 year and no later than 5 years	321	1,115
No later than 1 year	2,490	364
Total Future minimum lease payments	2,811	1,479
Less amounts representing finance charges	(115)	(74)
Present value of finance lease liabilities	2,696	1,405

The exposure of the Group's borrowings to interest rates changes and the contractual repricing dates at the end of the reporting period are as follows:

	2013 USD 000	2012 USD 000
Payable within 6 months	1,353	3
Payable within 6 -12 months	2,102	965
Payable within 1-5 years	7,615	2,290
Total	11,070	3,258

The loans have not been discounted and are shown at the cash flow values as management could not determine an appropriate discount factor due to the market fundamentals in the economy.

15 Borrowings (continued)

The carrying amounts of the Groups' borrowings are denominated in the following currencies:

	2013 USD 000	2012 USD 000
Currency		
US dollar	10,110	2,659
RSA rand	597	279
Botswana pula	363	320
	11,070	3,258

16 Deferred income tax

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

	2013 USD 000	2012 USD 000
Deferred income tax liabilities		
-Deferred income tax liability to be recovered after more than twelve months	2,003	1,097
-Deferred income tax liability to be recovered within twelve months	43	582
	2,046	1,679
Deferred tax liabilities (net)	2,046	1,679
The gross movement on the deferred income tax account is as follows:		
At beginning of year	1,679	1,526
Profit or loss charge	367	153
At end of year	2,046	1,679

Deferred tax liabilities

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Accelerated tax depreciation USD 000	Total USD 000
Deferred tax liabilities		
At 1 January 2013	1,679	1,679
Charge to profit or loss	367	367
At 31 December 2013	2,046	2,046

17 Retirement benefits

17.1 Defined contribution fund

The Group operates a defined contribution plan pension scheme. A Board of Trustees administers the fund. All full time and permanent employees are eligible for membership. The plan is funded by contributions by the companies in the Group and eligible employees.

17.2 National Social Security Authority

The Group and all its employees based in Zimbabwe contribute to the National Social Security Scheme promulgated under the National Social Security Act of 1989.The Group's obligation is limited to specific contributions as legislated from time to time.

Contributions to the above funds made during the current year are disclosed in note 20.

18 Other income

	2013 USD 000	2012 USD 000
Sale of scrap	18	43
Insurance claims	1	-
Profit on disposal of property, vehicles & equipment	3	619
Pre-acquisition management fees	1,024	-
Bad debts recovered	25	-
Sub letting of depots	313	318
Interest received	-	2
	1,384	982

The sale of scrap relates to scrapped parts and tyres mainly from the transport business.

The pre-acquisition management fees relate to a fee for managing the Unifreight business by Pioneer Corporation Africa prior to the finalization of the transaction in which Pioneer Corporation Africa acquired the operating assets of Unifreight.

19 Expenses by nature

	2013 USD 000	2012 USD 000
Fuels and consumables used	9,094	9,959
Vehicles operating expenses	7,112	7,292
Employee benefits expenses (note 20)	5,629	4,926
Depreciation and amortisation	273	334
Write-off of vehicles and equipment	422	-
Security	155	188
Communication expenses	750	761
Audit fees	232	162
Other professional fees	55	58
Traffic fines on fleet	354	408
Subcontracting	812	126
Licenses and insurance	511	502
Other expenses	2,881	2,915
Foreign exchange losses	43	45
Total cost of sales, distribution, administrative and other operating expenses	28,323	27,676

Interest and tax paid have been excluded

Depreciation expense for property, vehicles and equipment and investment properties of USD 1 075 137 has been charged in 'cost of sales' and USD 273 066 in administration expenses.

20 Employee benefits expenses

	2013 USD 000	2012 USD 000
Wages and salaries (including executive directors' emoluments)	5,375	4,709
Retrenchment costs	6	9
Pension contributions - Defined contribution plan	131	148
Social security contributions	117	60
	5,629	4,926
Directors' remuneration:		
Directors' fees	141	141
Other emoluments	284	132
	425	273
Average number of people employed	489	523

21 Finance cost

	2013 USD 000	2012 USD 000
Interest expense		
- bank borrowings	7	-
- shareholders' loans	12	47
- finance leases	21	137
- other	15	17
	55	201

Other finance costs relate to interest accrued to a third party for a loan advanced by the third party to restore the condition of the trailers hired from that third party.

22 Income tax

	2013 USD 000	2012 USD 000
Current income tax expense	49	201
Deferred income tax charge (note 16)	367	153
	416	354

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profit of the consolidation entities as follows:

	2013 USD 000	2012 USD 000
Loss before tax	(3,312)	(208)
Tax calculated at domestic tax rates applicable to profits in the respective countries	(853)	(54)
Expenses not deductible for tax purposes	1,269	408
Tax charge	416	354

		2013 USD 000	2012 USD 000
23	**Loss per share**		
	Basic		
	Basic (loss) per share is calculated by dividing the loss attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year.		
	(Loss) attributable to equity holders of the company (USD 000)	(1,272)	(907)
	Weighted average number of ordinary shares in issue	54,976,650	54,976,650
	Basic (loss) per share (cents)	(2.31)	(1.65)
	Diluted		
	Diluted (loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. In 2012 the company had no category of dilutive potential ordinary shares.		
	A total of 51 497 587 ordinary shares to be issued as part of the consideration for the Unifreight transaction have been excluded from the calculation of the diluted earnings per share as they have an anti-dilutive effect.		
	(Loss) attributable to equity holders of the company (USD 000)	(1,272)	(907)
	Weighted average number of ordinary shares for diluted earnings per share	54,976,650	54,976,650
	Diluted (loss) per share (cents)	(2.31)	(1.65)
24	**Dividends**		
	The company did not declare any dividend during the period in line with its strategy of growth. These financial statements do not reflect any dividend payable.		
25	**Cash generated from operations**		
	Loss before income tax	(3,312)	(208)
	Adjusted for:		
	- Depreciation and impairment	1,348	1,631
	- Loss/(Profit) on disposal of property, vehicles and equipment	419	(619)
	- Net Finance cost	55	201
	- Bad debts written off	238	97
	Changes in working capital:		
	- Inventory	174	(114)
	- Trade and other receivables	435	1,458
	- Trade and other payables	1,911	(249)
	Cash generated from operations	1,268	2,197

26 **Commitments**

The Group currently has no additional commitments outside normal trading activities.
Capital commitments approved for 2014 are in the amount of USD 5 039 771.
None have been contracted for as at 31 December 2013.

27 Related-party transactions

	2013 USD 000	2012 USD 000
Messr H.B.W. Rudland who is a Director of the Company is also one of the majority shareholders and directors of the companies indicated below with whom the Group has significant contracts.		
The following transactions were carried out with related parties:		
(i) Purchase of goods and services from entities controlled by directors		
- Purchase of fuel from Pellston (Private) Limited	3,462	4,873
- Purchase of spares from Scanlink (Private) Limited	347	466
- Purchase of busses from Scanlink (Private) Limited	1,007	-
- Management fees to Ramsway Consultancy	-	138
	4,816	5,477
Goods and services are purchased based on the price list in force and terms that would be available to third parties on an arms-length basis.		
(ii) Year end balances arising from purchases of goods and services		
Payables to related parties		
- Pellston (Private) Limited	1,831	701
- Scanlink (Private) Limited	281	259
	2,112	960
(iii) Finance lease liabilities		
- Entities controlled by directors - Henroy Trucking (Private) Limited	404	927
The balance relates to a finance lease agreement entered into in 2011 with a company which the major shareholders have an interest in.		
(iv) Loans from related parties		
Shareholders' loans (note 15)	7,534	4,597
Shareholders' loans of USD 2 297 881 were moved to equity in 2012. The major shareholder has waived their rights to repayment of this amount.		
(v) Directors' shareholdings		
Messr H.B.W. Rudland directly or indirectly has a shareholding of 42 752 603 shares. All other Directors have no shareholdings either directly or indirectly.		
(vi) Key management compensation		
Salaries and other short term employee benefits	827	408

There are no loans due from or to directors and senior management as at reporting date.

28 Investments in subsidiaries and associate

Operating Companies	Business
Pioneer Clan (Botswana) (Proprietary) Limited (100%) (2012 - 50%)	Cross border freight haulage and logistics
Pioneer Transport (Private) Limited (100%) (2012 - 100%)	Freight and regional coach services
PXL Freight and Logistics Limited (100%) (2012 - 25%)	Cross border freight haulage and logistics
African Spirit Trading 103 (Proprietary) Limited (100%) (2012 - 25%)	Cross border freight haulage and logistics
Mavambo Coaches (Proprietary) Limited (100%) (2012 - 50%)	Regional coach services
Trek Transport (Private) Limited t/a Skynet Worldwide Express (100%) (2012 - 100%)	Courier services
Clan Properties (Private) Limited (100%) (2012 - 100%)	Property-owning
Kirkman & Kukard (Private) Limited (100%) (2012 - 100%)	Property-owning
Birmingham Road Property (Private) Limited (100%) (2012 - 100%)	Property-owning
Clan Transport Company (Private) Limited (100%) (2012 - 100%)	Investment owning
Clan Services (Private) Limited (100%) (2012 - 100%)	Investment owning
Pioneer Clan Holdings (Botswana) (Proprietary) Limited (100%) (2012 - 50%)	Investment owning
Tredcor Zimbabwe (Private) Limited (41%) (note 30) (2012 - 41%)	Tyre retreading and tyre retail sales

29 Business combinations and acquisition

Acquisitions in 2013

On 19 December 2013, the company acquired the business of Unifreight Limited including the operating assets and liabilities, all intellectual property rights to the name SWIFT and information operating systems and technology thereto. The business was acquired to strengthen the transport and logistics network of the company throughout Zimbabwe. Consideration is in the form of issuance of shares in the company to Unifreight Limited plus cash payment for the intellectual property rights and information technology over five (5) and three (3) years respectively.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of Unifreight Limited as at the date of acquisition were:

	Fair value recognised on acquisition USD 000
Assets	
Property, vehicles and equipment (note 6)	11,873
Cash and bank balances	75
Trade and other receivables	3,560
Inventories	906
Intellectual property rights (note 8)	1,500
	17,914
Liabilities	
Trade and other payables	(11,231)
Total identifiable net assets at fair value	6,683
Gain on purchase	(2,456)
Purchase consideration transferred	4,227
Purchase consideration	
Shares issued, at fair value	2,575
Consideration liability	1,652
Total consideration	4,227

In March 2014 the company issued 51 497 587 ordinary shares as consideration for the business of Unifreight Limited. The fair value of the shares is calculated with reference to the quoted price of the shares of the Company at the date of acquisition, which was USD0.05 each. The fair value of the consideration given is therefore USD2 574 879.

In addition, as part of the consideration there will be additional cash payments to Unifreight Limited of USD25 000 per month for a five (5) year period for the intellectual property rights relating to the use of the name SWIFT in perpetuity and USD19 750 per month for a three (3) year period for the information operating systems and technology relating thereto.

As at the acquisition date, the fair value of the consideration liability was estimated to be USD1 652 288. The fair value is determined using discounted cash flow method using the rate of 14%.

The transaction was initiated in January 2011 and was only completed end of December 2013 as some regulatory approvals had not been obtained. The consideration was agreed in 2011 and this was not subsequently revised on finalisation of the transaction as the bulk of the transaction requirements had been met in 2011. The business units being acquired continued to grow over the 3 year period while the transaction was awaiting final approval by the regulators and has resulted in the net assets being acquired being significantly higher than the net assets as at January 2011. The non adjustment of the consideration resulted in the gain on business purchase of USD2,456m. The gain on business purchase has been recognised on the face of the statement of profit or loss.

Despite the final regulatory approval having been received on 19 December 2013, for accounting purposes the values for the transactions were based on the financial information as at 31 December 2013. Accordingly, no revenue nor profit or loss of the acquiree has been consolidated in the group financial statements as at 31 December 2013.

Non Controlling interest share acquired in 2013

In January 2013 the Company acquired the minority shares in subsidiaries being Pioneer Clan Holdings (Botswana) (Proprietary) Limited and PXL Freight and Logistics Limited for nil consideration. The non controlliing interest share of prior years retained earnings of the minorites has now been re-classified in the statement of changes in equity and is now reflected under non distributable reserves.

30 Investment in an associate

The Group has a 41% interest in Tredcor Zimbabwe (Private) Limited, which is involved in the re-treading and distribution of various brands of vehicle tyres as well as offering tyre fitting services. Tredcor Zimbabwe (Private) Limited is a private entity that is not listed on any public exchange. The Group's interest in Tredcor Zimbabwe (Private) Limited is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in Tredcor Zimbabwe (Private) Limited:

	2013 USD 000	2012 USD 000
Current assets	3,106	2,561
Non current assets	287	278
Current liabilities	(7,232)	(4,404)
Equity	(3,839)	(1,565)
Proportion of the Group's ownership	41%	41%
Carrying amount of the investment	(1,574)	(642)
Revenue	5,445	7,038
Cost of sales	(4,823)	(5,806)
Administrative expenses	(3,095)	(2,688)
Finance costs	199	386
Loss before tax	(2,274)	(1,070)
Income tax expense	-	-
Loss for the year (continuing operations)	(2,274)	(1,070)
Group's share of loss for the year	(932)	(439)

The group has not recognised the share of operating loss of the associate as the carrying amount of the investment is now nil. The cumulative unrecognised share of loss is USD1 705 681 (2012 - USD773 364)

31 Events after the reporting period

There are no adjusting events after the reporting date which have an effect on the financial position of the Group as at the reporting date.

COMPANY STATEMENT OF FINANCIAL POSITION
as at 31 December 2013

	2013 USD 000	2012 USD 000
ASSETS		
Non current assets	13,384	14
Property, vehicles and equipment	11,884	14
Intangible asset	1,500	-
Current assets	4,858	59
Inventories	906	-
Trade and other receivables	2,734	27
Amounts owing by subsidiary companies	1,140	30
Cash and bank balances	78	2
TOTAL ASSETS	18,242	73
EQUITY AND LIABILITIES		
Equity	3,869	(984)
Share capital	549	549
Non distributable reserve	1,728	(847)
Retained income	1,592	(686)
Non current liabilities	7,610	-
Borrowings	4,239	-
Trade and other payables	1,557	-
Purchase of business	1,115	-
Deferred income tax liabilities	699	-
Current liabilities	6,763	1,057
Trade and other payables	4,340	505
Purchase of business	537	-
Amounts owing to subsidiary companies	131	552
Current income tax liabilities	28	-
Borrowings	1,727	-
TOTAL EQUITY AND LIABILITIES	18,242	73

These financial statements were approved by the Board on 27 March 2014 and signed on it's behalf by:

P.C. Chingoka
Chairman

G.R. Smith
Chief Executive Officer (Acting)

SHAREHOLDERS' ANALYSIS

SIZE OF HOLDING	2013 No. of Shareholders	%	No. of Issued Shares	%	2012 No. of Shareholders	%	No. of Issued Shares	%
1 - 1000	561	57.6%	203,674	0.4%	562	56.6%	205,929	0.4%
1001 - 5000	241	24.7%	538,268	1.0%	251	25.3%	570,247	1.0%
5001 - 10000	63	6.5%	461,352	0.8%	62	6.2%	448,155	0.8%
10001 - 50000	64	6.6%	1,337,378	2.4%	67	6.8%	1,439,493	2.6%
50001 - 500000	30	3.1%	4,797,294	8.5%	37	3.7%	5,368,646	9.8%
500001 and over	15	1.5%	47,638,684	86.9%	14	1.4%	46,944,180	85.4%
	974	100.0%	54,976,650	100.0%	993	100.0%	54,976,650	100.0%

SHAREHOLDERS BY TYPE

Banks and Nominees	30	3.1%	3,689,763	6.7%	40	4.0%	4,888,777	8.9%
Insurance Companies	3	0.3%	49,495	0.1%	3	0.3%	49,495	0.1%
Other Corporates	163	16.7%	41,234,991	75.0%	166	16.7%	40,627,187	73.9%
Pension Funds	2	0.2%	3,527,412	6.4%	2	0.2%	3,527,412	6.4%
Resident Individuals	745	76.5%	4,171,824	7.6%	750	75.6%	3,703,410	6.7%
Non Resident Shareholders	27	2.8%	2,296,525	4.2%	28	2.8%	2,173,729	4.0%
Deceased Estates	4	0.4%	6,640	0.0%	4	0.4%	6,640	0.0%
Total	974	100.0%	54,976,650	100.0%	993	100.0%	54,976,650	100.0%

TOP SHAREHOLDERS

Drop Hill Investments P/L	10,586,714	19.3%	Drop Hill Investments P/L	10,586,714	19.3%
High Wind Investments P/L	9,125,366	16.6%	High Wind Investments P/L	9,125,366	16.6%
Earnbridge Investments P/L	7,161,452	13.0%	Earnbridge Investments P/L	7,161,452	13.0%
Holdsworth Holdings P/L	4,069,131	7.4%	Holdsworth Holdings P/L	4,069,131	7.4%
National Pension Scheme	3,522,412	6.4%	National Pension Scheme	3,522,412	6.4%
Stanbic Nominees P/L	3,271,865	6.0%	Stanbic Nominees P/L	3,271,865	6.0%
Heathier-way Investments P/L	3,200,000	5.8%	Heathier-way Investments P/L	3,200,000	5.8%
Ramsway P/L	2,530,417	4.6%	Ramsway P/L	1,997,809	3.6%
CPK Holdings Limited	1,595,976	2.9%	CPK Holdings Limited	1,595,976	2.9%
Other	9,913,317	18.0%	Other	10,445,925	19.0%
	54,976,650	100.0%		54,976,650	100.0%

SHAREHOLDERS' CALENDER

Financial Year ended 31 December 2013:

Annual report published	27 March 2014
Abbreviated results press publication	1 April 2014
44th Annual General Meeting	26 June 2014

Financial Year ended 31 December 2014:

Interim results	30 September 2014